

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2003

	September-03					August-03				July-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	FYTD	FY03	Ended	Ended
				Net ROR	Net ROR				Net ROR				Net ROR	Net	Net	6/30/2003	6/30/2003
LARGE CAP DOMESTIC EQUITY																	
Structured Growth																	
Los Angeles Capital	85,073	2.3%	2.3%	N/A	-1.68%	125,591	2.4%	2.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	0	0.0%	0.0%	N/A	121,782	2.3%	2.3%	3.55%	N/A	-1.88%	-21.24%	-6.07%
Total Structured Growth	85,073	2.3%	2.3%	4.99%	-1.68%	125,592	2.4%	2.3%	3.13%	121,782	2.3%	2.3%	3.55%	4.99%	-1.88%	-21.24%	-6.07%
Russell 1000 Growth				3.92%	-1.07%				2.49%				2.49%	3.92%	2.94%	-21.54%	-5.03%
Structured Value																	
LSV	81,203	2.2%	2.3%	3.75%	-1.04%	118,877	2.3%	2.3%	3.27%	115,200	2.2%	2.3%	1.52%	3.75%	-2.25%	8.84%	3.73%
Russell 1000 Value				2.06%	-0.98%				1.56%				1.49%	2.06%	-1.02%	-0.19%	1.05%
S&P 500 Index																	
State Street	374,694	10.0%	10.5%	2.64%	-1.07%	565,601	11.0%	10.5%	1.95%	554,793	10.7%	10.5%	1.77%	2.64%	0.23%	-11.28%	-1.69%
S&P 500				2.64%	-1.06%				1.95%				1.76%	2.64%	0.25%	-11.20%	-1.62%
TOTAL LARGE CAP DOMESTIC EQUITY	540,970	14.5%	15.0%	3.15%	-1.16%	810,069	15.7%	15.0%	2.32%	913,557	17.6%	15.0%	2.00%	3.15%	-0.48%	-9.33%	-1.90%
S&P 500				2.64%	-1.06%				1.95%				1.76%	2.64%	0.25%	-11.20%	-1.62%
SMALL CAP DOMESTIC EQUITY																	
Manager-of-Managers																	
SEI	179,207	4.8%	5.0%	9.48%	-1.58%	290,662	5.6%	5.0%	4.83%	277,199	5.3%	5.0%	6.11%	9.48%	0.09%	N/A	N/A
Russell 2000 + 200bp				9.60%	-1.68%				4.75%				6.43%	9.60%	0.36%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	179,207	4.8%	5.0%	9.48%	-1.58%	290,662	5.6%	5.0%	4.83%	277,199	5.3%	5.0%	6.11%	9.48%	0.09%	-3.49%	1.64%
Russell 2000				9.07%	-1.85%				4.58%				6.26%	9.07%	-1.63%	-3.30%	0.97%
CONVERTIBLES																	
TCW	368,085	9.8%	10.0%	1.85%	0.22%	522,787	10.1%	10.0%	0.89%	517,977	10.0%	10.0%	0.74%	1.85%	10.23%	-9.51%	3.90%
First Boston Convertible Index				2.67%	0.56%				1.64%				0.45%	2.67%	15.46%	-3.77%	5.29%
INTERNATIONAL EQUITY																	
Large Cap - Active																	
Capital Guardian	293,175	7.8%	8.0%	8.14%	-0.27%	457,640	8.9%	8.0%	3.44%	442,187	8.5%	8.0%	4.82%	8.14%	-10.31%	-15.85%	0.02%
MSCI EAFE - 50% Hedged				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-15.51%	-5.33%
Small Cap - Value																	
Lazard	39,792	1.1%	1.0%	9.92%	5.61%	56,219	1.1%	1.0%	3.09%	54,535	1.0%	1.0%	0.96%	9.92%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				15.95%	5.70%				6.30%				3.20%	15.95%	N/A	N/A	N/A
Small Cap - Growth																	
Vanguard	38,606	1.0%	1.0%	14.95%	5.41%	54,646	1.1%	1.0%	4.08%	52,505	1.0%	1.0%	4.78%	14.95%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				15.95%	5.70%				6.30%				3.20%	15.95%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	371,574	9.9%	10.0%	8.97%	0.86%	568,505	11.0%	10.0%	3.48%	549,227	10.6%	10.0%	4.40%	8.97%	-9.20%	-15.51%	0.27%
MSCI EAFE - 50% Hedged				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-15.51%	-5.33%
DOMESTIC FIXED INCOME																	
Core Bond																	
Western Asset	973,882	26.0%	25.0%	-0.16%	3.38%	1,238,985	24.0%	25.0%	1.31%	1,223,337	23.5%	25.0%	-4.69%	-0.16%	12.77%	11.23%	8.12%
Lehman Aggregate				-0.14%	2.65%				0.66%				-3.36%	-0.14%	10.39%	10.07%	7.54%
Index																	
Bank of ND	532,752	14.2%	15.0%	-0.46%	3.08%	683,018	13.2%	15.0%	0.60%	678,942	13.1%	15.0%	-4.00%	-0.46%	13.26%	10.87%	7.78%
Lehman Gov/Credit				-0.50%	3.17%				0.66%				-4.19%	-0.50%	13.14%	10.82%	7.83%
BBB Average Quality																	
Strong	408,258	10.9%	10.0%	0.02%	3.86%	535,552	10.4%	10.0%	1.39%	528,487	10.2%	10.0%	-5.01%	0.02%	17.91%	N/A	N/A
Lehman US Credit BAA				0.27%	3.97%				0.98%				-4.49%	0.27%	18.33%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	1,914,892	51.2%	50.0%	-0.21%	3.40%	2,457,555	47.6%	50.0%	1.13%	2,430,766	46.7%	50.0%	-4.57%	-0.21%	13.18%	10.80%	7.81%
Lehman Gov/Credit				-0.50%	3.17%				0.66%				-4.19%	-0.50%	13.14%	10.82%	7.83%
CASH EQUIVALENTS																	
Bank of ND	364,833	9.8%	10.0%	0.30%	0.10%	513,719	9.9%	10.0%	0.10%	513,285	9.9%	10.0%	0.10%	0.30%	1.57%	3.26%	4.15%
90 Day T-Bill				0.25%	0.10%				0.08%				0.07%	0.25%	1.52%	3.33%	4.08%
TOTAL BONDING FUND	3,739,560	100.0%	100.0%	2.01%	1.47%	5,163,298	100.0%	100.0%	1.66%	5,202,010	100.0%	100.0%	-1.12%	2.01%	7.52%	1.61%	4.90%
POLICY TARGET BENCHMARK				1.46%	1.43%				1.24%				-1.20%	1.46%	7.25%	2.20%	4.57%

NOTE: Monthly returns and market values are preliminary and subject to change.